



CORPORATE HEADQUARTERS
518 East Broad Street
Columbus, Ohio 43215
<http://www.stateauto.com>

May 29, 2014

Mr. Jamie Stone
c/o Ross Gray, Esquire
101 Bruce Street
Sevierville, TN 37862

RE: Insured: Fireman Fire Protection
Policy Number: CFP2094868
Date of Loss: August 3, 2013
Loss Location: 2912 Old Newport Highway, Sevierville, Tennessee
Claim No.: PR-0000000-021842

DECLINATION OF COVERAGE

Dear Mr. Stone:

To the extent possible, State Automobile Mutual Insurance Policy ("State Auto") has completed its investigation into the above referenced claim. Please be advised that pursuant to the terms and conditions of your policy of insurance, State Auto hereby denies any and all liability to you for the above captioned claim. This denial of liability is predicated upon one or more violations of the conditions of the policy of insurance.

Your policy also includes the Causes of Loss - Special Form, CP1030 (Ed. 04/02). Beginning on Page 1 and continuing on Pages 2 and 3 states as follows:

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations;
that follow.

B. Exclusions

* * * *

2. We will not pay for loss or damage caused by or resulting from any of the following:

* * * *

- h. Dishonest or criminal act by you, any of your partners, members, officers, managers employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you have entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or

EXHIBIT

(2) Whether or not occurring during the hours of employment. This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

Your policy also includes the Commercial Property Conditions, CP0090 (Ed. 07/88). On Page 1 it states as follows:

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION, OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part

No coverage is provided under the policy due to evidence that you intentionally concealed and/or misrepresented material facts relating to this insurance and in regard to the following matters:

- The circumstances surrounding the tenant, Mr. Alteras, at the property;
- The circumstances surrounding the loss; and
- Your lack of being forthcoming with regards to your relationship with Mr. Robin Alteras and his involvement in your previous collapse loss;

Continuing under the CP0090, it states as follows:

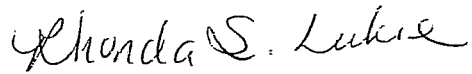
D. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

We must further notify you, there may be other reasons why coverage may not apply and, as such, we reserve our rights to decline coverage based on facts yet to be discovered. Neither this letter nor any act by any representative of this insurance company should be construed to be a waiver of any of the policy terms and conditions.

Sincerely,



Rhonda Lukie
Property Claims Examiner
State Auto Insurance Companies www.stateauto.com
PO Box 182822, Columbus, OH 43218-2822
Phone: 614.917.4987 Fax: 614.719.4987

WARNING (Tennessee)
"It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits."
Revised 12/2009